

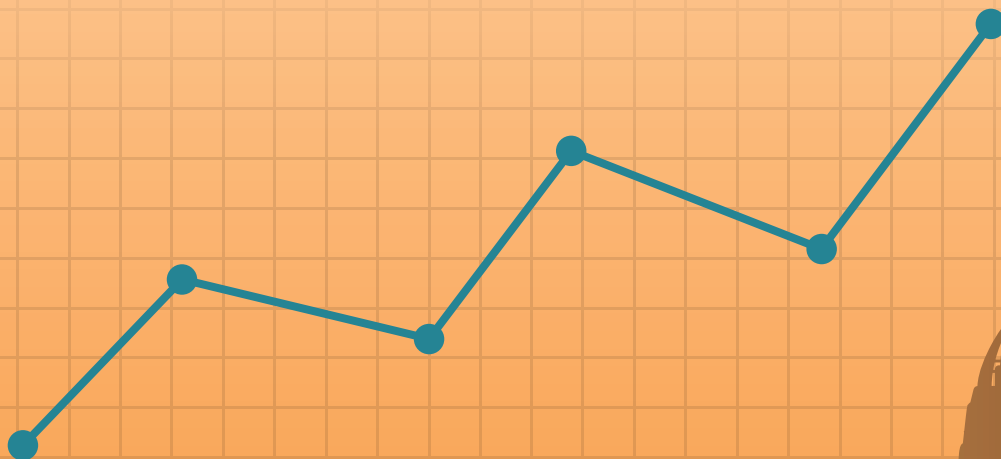


平等機會委員會
EQUAL OPPORTUNITIES COMMISSION



Racial Diversity & Inclusion Charter for Employers: Advanced Annual Reviews

2022-23 SUMMARY REPORT



Equal Opportunities Commission
3 November 2023

Message from the Chairperson



The Racial Diversity & Inclusion Charter for Employers (Charter) is five years old. Over these five years we have been able to grow the signatory network from 11 organisations to over 380. Besides being able to have wider conversations and deeper engagement on the subject, this expanding network of Hong Kong employers has allowed us to observe trends and learn what organisations are doing in the rapidly advancing field of Diversity and Inclusion (D&I).

The Advanced Annual Review Form, launched in November 2022 as a step-up from the simpler annual review form, requires companies to provide more details with evidence where possible so we can have more comprehensive information on the four categories laid out in the form covering strategy, policy, environment and culture.

Though small in number, the 29 organisations filling out the first round of the Advanced Annual Review Form have given us detailed information on their policies, practices and plans to advance racial D&I in their workplaces which serves as an indicator for us to peg Hong Kong's standing in this important area. Point zero has been affixed. We have a starting point and we hope to build on it over the next few years. Our aim is to be able to create Hong Kong's first Racial D&I Employer Index serving as a benchmark for all employers.

We must acknowledge the initial guidance provided by Community Business when the Charter was just an idea. Their experience in other areas of diversity, which they generously shared with us, was of immense learning to us in our development of the Charter.

We are extremely grateful to our partners, the Charter signatories, without whom this exercise could not have got off the ground. We are overwhelmed by the immense support the Charter has garnered over the years and we continue to look forward to this support to create and sustain the momentum on achieving true racial equality, opportunity and inclusion in workplaces and in society as a whole.

Ricky Chu

Chairperson, Equal Opportunities Commission

Background

The Racial Diversity & Inclusion Charter for Employers

The Racial Diversity & Inclusion Charter for Employers (Charter) was launched in 2018 in an attempt to build a network of organisations that are committed to promoting racially diverse and inclusive workplaces. The set of nine guidelines listed in the Charter are goals that employers can aspire to and measure themselves against to track their progress in this area.

The Advanced Annual Review Form

All Charter signatories are required to submit an annual review of progress against the nine goals. The first edition Annual Review Form (First Edition) has been in use since the launch of the Charter. However, in November 2022, a second edition, i.e. the Advanced Annual Review form was introduced, which was a step-up from the earlier form. It is more detailed and requires more targeted responses. While keeping the option open for organisations to choose between the Advanced and the First Edition, we do encourage organisations to use the former as it allows a more in-depth look at workplace policies and practices while also giving them ideas to progress on their racial D&I goals. At the same time, it gives us more granular information so as to infer trends and best practices. The longer term objective is to be able to create a Racial D&I Employer Index that serves as a benchmark for all organisations in Hong Kong.

Review Report

The purpose of this report is to provide insights into current best practices on racial D&I efforts within organisations submitting the Advanced Annual Review Forms, highlighting key observations, best practices, and areas for improvement. Due to the small number of reporting organisations, this report is not a critical analysis but rather a summary of policies, practices and processes as gleaned from the reviews. Of the 29 organisations that used the Advanced Annual Review Form, three are non-governmental organisations and two are small-medium sized enterprises. Even though the form clearly mentions that some of the questions may not be applicable or difficult to answer for SMEs, NGOs and Social Enterprises, we appreciate that these five organisations contributed to this exercise and showed their willingness to use the new Advanced Annual Review Form.

Limitations of the Report

As this is the first year of the Advanced Annual Review Form and also perhaps owing to it being optional allowing signatories to continue using the First Edition, the reporting numbers are small. With returns of just 29 organisations to work with, we caution against any generalisations and extrapolations based on the data reported here. Further, the profile of reporting organisations is heavily skewed towards large multi-national companies (16 out of 29) which is neither representative of the Charter network nor businesses in Hong Kong. It is also reasonable to assume that the organisations choosing to use this advanced form are more mature in the D&I space and have more to show for it.

There is still merit in the report as it allows us to see best practices of the frontrunners and areas for improvement. Other organisations that are committed to furthering their racial D&I progress can learn much from the experience of these reporting organisations.

Category-wise Trends

1. Racial D&I Strategy:

The report reveals that nearly 90% (26 out of 29) of reporting organisations have a clearly stated Racial Diversity and Inclusion (D&I) Strategy. Ten of the organisations have made their strategies known internally and publicly, while 12 have promoted them to all employees.

2. Inclusive Policy:

Most reporting organisations (over 85%) have an Equal Opportunity policy (25) and an Anti-Discrimination policy (24) with reference to race. Of these, some have global policies with no Hong Kong specifics while more than half have Hong Kong specific policies either with global policies or on its own.

3. Responsibility for Addressing D&I:

Around a third (10) of the reporting organisations have a dedicated D&I role reporting to senior leadership. Twelve reporting organisations have embedded D&I responsibilities within HR or other functions, and three carry out D&I initiatives through staff in a voluntary capacity.

4. Recruitment & Employment Policies:

Almost 60% (17) of the reporting organisations have implemented practices to reduce racial discrimination and bias in recruitment and employment processes. Common practices include using diverse faces in recruitment advertising, enlisting specialist recruitment firms, and targeting wider populations through NGO partnerships and student internships. Best practices identified include ensuring a diverse candidate slate and utilising inclusive job description writing and blind search functions.

5. Goals for Racial Diversity:

The reviews reveals that a third (10) of the reporting organisations have no targets for racial diversity while an almost equal number (11) have overall (or global) racial diversity targets which are not Hong Kong specific. It is encouraging to see five reporting organisations having targets by function and department while three reported having targets by level. The focus for many reporting organisations is on making hiring processes bias-free and inclusive, rather than setting numerical targets for diversity. While a mix of strategies are undertaken to recruit ethnic minority candidates, NGO partnerships emerged as the most common approach. Only four organisations reported having targets for hiring ethnic minorities.

6. Policy Review & Monitoring:

Nearly 40% (11) of the reporting organisations have periodic reviews of employment policies and practices every 2-3 years or annually, while nearly 60% (17) carry out reviews only as and when needed. A majority (21) of the organisations have some form of ethnicity data extraction/collection, with voluntary self-identification encouraged. Only a few (5), however, utilise this data for monitoring key performance indicators (KPIs) and formulating/enhancing policies on racial inclusion and representation. Of the 14 organisations that reported capturing D&I data in their employee engagement surveys, only five included questions related to race/ethnicity.

7. Employee Training & Activities:

Training on racial equality and inclusion is offered to various employee groups within reporting organisations. Over three-fourths (23) provide training on EO and AD laws, with 15 organisations going beyond legal requirements to cover additional topics. However, only five organisations have participation added to KPIs. The report also highlights that organisations have a mix of events and activities to raise awareness on D&I topics. Only a third (10), however, have regular activities specific to racial equality and inclusion.

8. Community Engagement:

Over 60% (18) of the reporting organisations have some engagement with underprivileged and under-represented members of racial minorities with 13 of them offering internships and career-related initiatives that could lead to employment opportunities. Other initiatives include partnerships with NGOs, mentoring of ethnic minority students, and sponsorship of ethnic minority-related events.

9. Inclusive Work Environment:

Only eight of the reporting organisations have employee networks/resource groups specific to race. The reviews indicate that most organisations (90%, 26) encourage their employees to speak to their supervisor/manager in case of issues. Close to 80% (23) of the reporting organisations provide flexibility for cultural differences, mostly with respect to language and attire. Senior leadership communication and participation on racial D&I, a crucial success factor, is seen in just 14 of the 29 reporting organisations. Over 90% (27) of the organisations have a formal grievance policy but almost half (14) do not have one with specific reference to race.

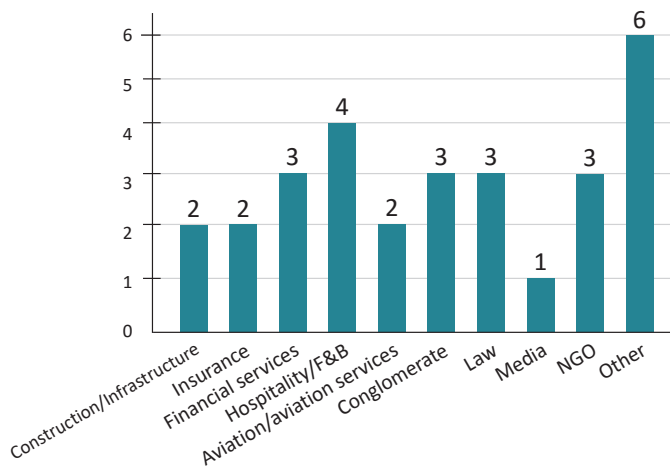
In conclusion, the summary of the Advanced Annual Review Forms gives a snapshot of racial diversity and inclusion strategies and practices in the 29 reporting organisations.

Despite the many positive actions reported here, we must caution that we, at the Equal Opportunities Commission, continue to see barriers to equal opportunities in employment for racial minorities. We also hear of inclusion issues in workplaces. There is still much work to be done in shifting mindsets and organisational cultures, besides policies and processes. Our goal is to see equality as a mainstream idea that touches every aspect of the workplace in the entire employee life-cycle.

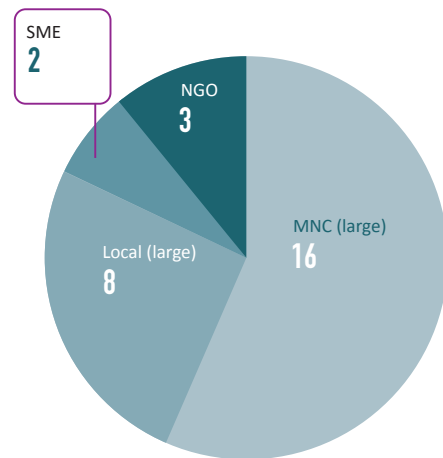
Regardless of its limitations, this report offers some pointers and examples from the 29 organisations that have committed to racial D&I goals and participated in this exercise. Many of them also have global experience to lean on and learn from. Best practices identified in the report, such as ensuring diverse candidate slates and offering inclusive training, can serve as valuable examples for organisations seeking to enhance their racial diversity and inclusion efforts.

Participating Organisations

Profile by Industry



Profile by Company Size & Business Operations



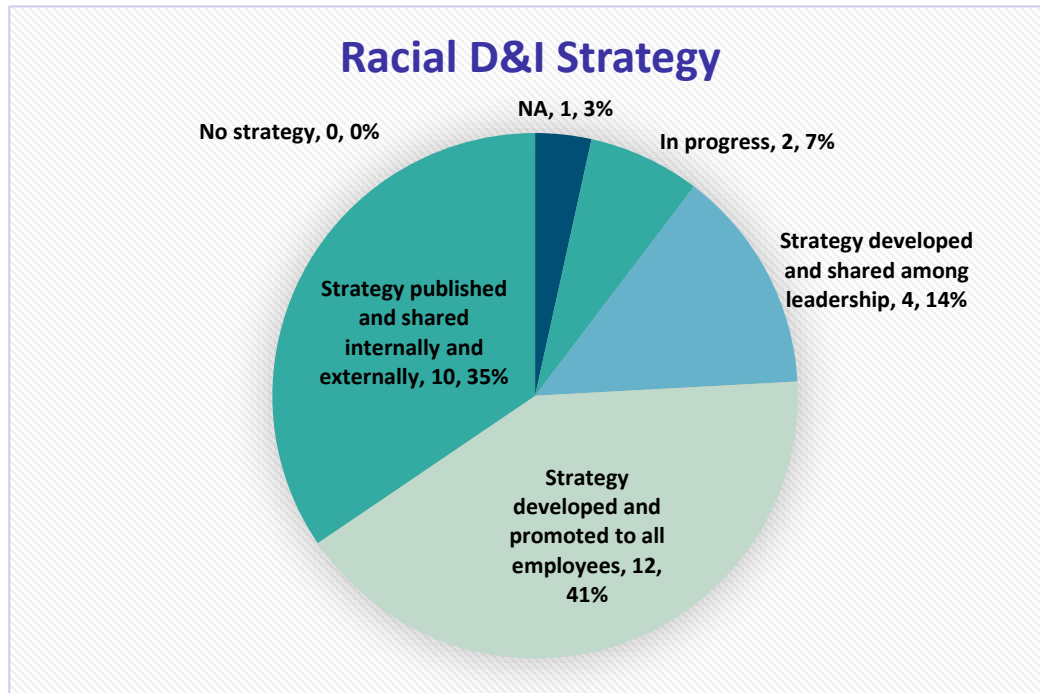
OVERALL BEST PRACTICES

- Ensuring a diverse slate of candidates with a target ratio/percentage
- Guidance for writing inclusive job descriptions for vacancies
- Using a “blind search” model
- Having ethnicity targets across levels and functions
- Monitoring diversity and racial inclusion data and making it part of leadership KPIs
- Assessing experience of ethnic minority employees using surveys and developing action plans based on issues raised
- Having reverse and reciprocal mentoring on D&I matters
- Developing an intercultural communication and conversation guide
- Ensuring senior leadership communication on racial D&I
- Targeted internship and job exposure opportunities for racial minority youth
- Creating an inclusive workplace: prayer rooms, language classes, bilingual communication, flexible working, multiple food choices, senior leadership presence and endorsement of D&I initiatives

Manufacturing enterprises which employ fewer than 100 persons, and non-manufacturing enterprises which employ fewer than 50 persons. For this report, branch and local subsidiaries of global organisations which have less than 50 employees have also been included in the SME category as they have very small staff to implement many of the initiatives included in the Advanced Annual Review Form.

I. Racial D&I Strategy

Q1. Does your organisation have a clearly stated racial D&I strategy or a wider D&I strategy that specifically includes race? (Pick one)



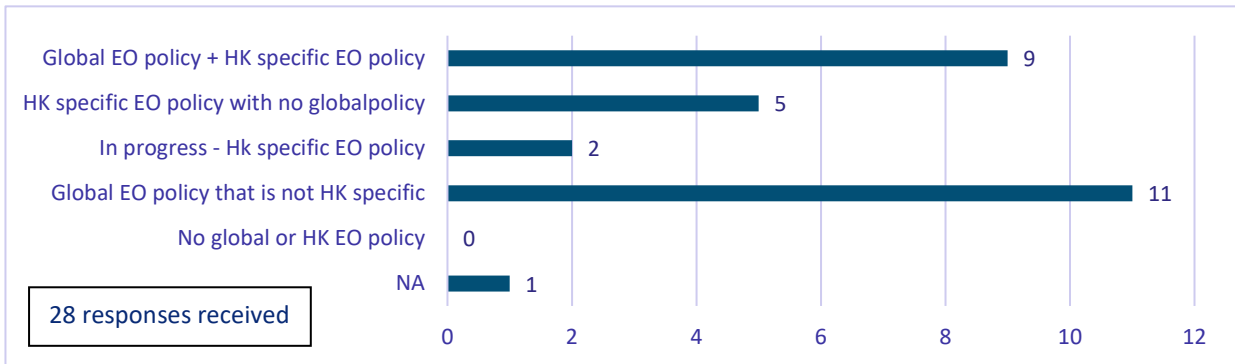
Observations:

- Nearly 90% (26) of the reporting organisations have a Racial D&I Strategy
- Ten have made their strategies known internally and publicly and 12 have promoted it to all employees

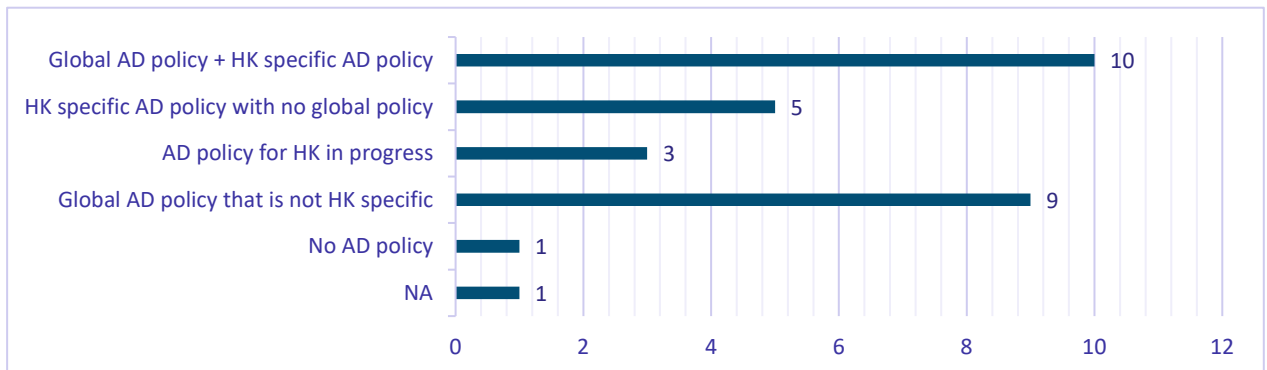
II. Inclusive Policy

II.1. Policy

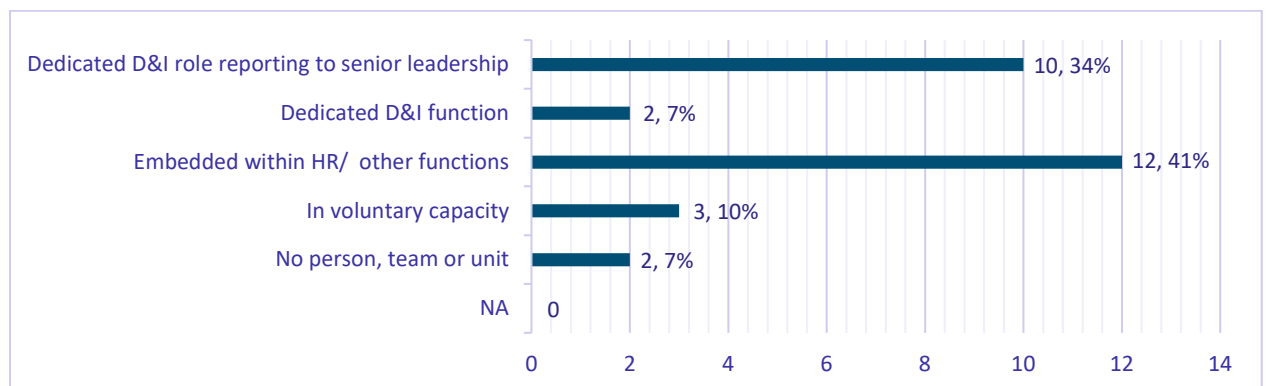
Q2. Do you have an Equal Opportunity (EO) policy, separate or together with an Anti-Discrimination policy (AD), with specific reference to racial equality? (Pick one)



Q3. Do you have an Anti-Discrimination (AD) policy, separate or together with an EO policy, with specific reference to racial equality and inclusion? (Pick one)



Q4. In your organisation, is there a person, team or unit responsible for addressing D&I, including racial D&I? (Pick one)

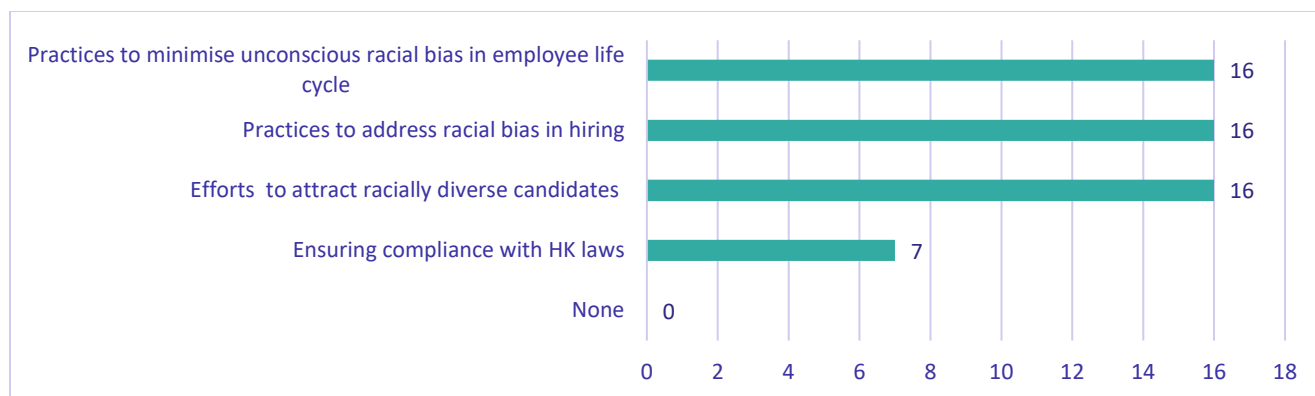


Observations for II.1 (Q2, Q3 & Q4):

- *Almost 90% (25 out of 28) of the reporting organisations have an EO policy with specific reference to race. All except one of these organisations (24 out of 29) also have an AD policy with specific reference to race*
- *While 11 reporting organisations have global EO policies on race without Hong Kong specifics, 14 have Hong Kong specific policies on race*
- *Nine have global policies without Hong Kong specifics and 15 have Hong Kong specific anti-discrimination policies that includes race*
- *Roughly one-third (10 out of 29) have a dedicated D&I role reporting to senior leadership*
- *Over 40% (12) have D&I responsibilities embedded within HR or other functions and 10% (3) have D&I carried out by staff in a voluntary capacity*

II.2. Recruitment & Employment Policies

Q5. What are the practices you have in place for fair recruitment, appointment, promotion, staff development and dismissal applicable to Hong Kong that aim to remove racial discrimination from these processes? (Multiple responses)



Observations:

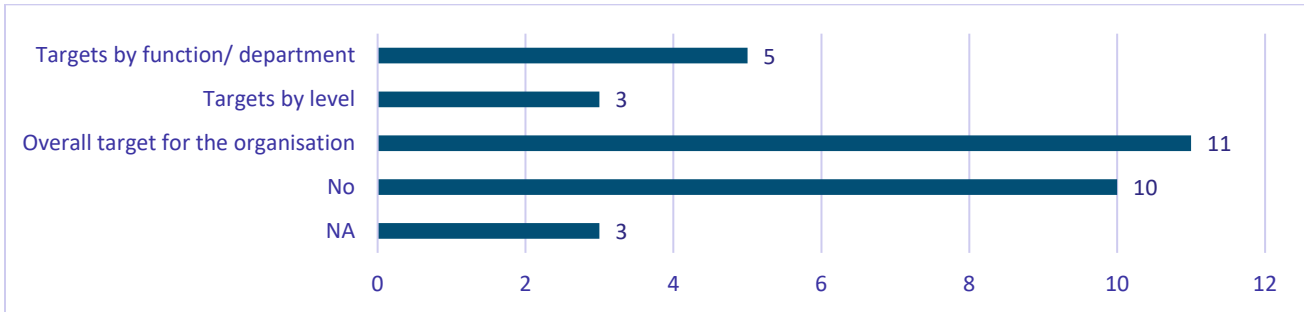
- Almost 60% (17) of the reporting organisations have multiple processes in place to reduce racial discrimination and bias in hiring and employee life-cycle
- Sixteen make efforts to attract a pool of racially diverse candidates, mostly in addition to the above
- Common good practices are:

- Using diverse faces in recruitment advertising and external communications
- Enlisting specialist recruitment firms; partnering with many recruiters to cast a wider and diverse net
- Targeting wider (student and other) populations through NGO partnerships, student internships, joining external events
- Including a detailed D&I statement in advertisements going beyond “equal opportunities employer” statement
- Having a diverse hiring panel

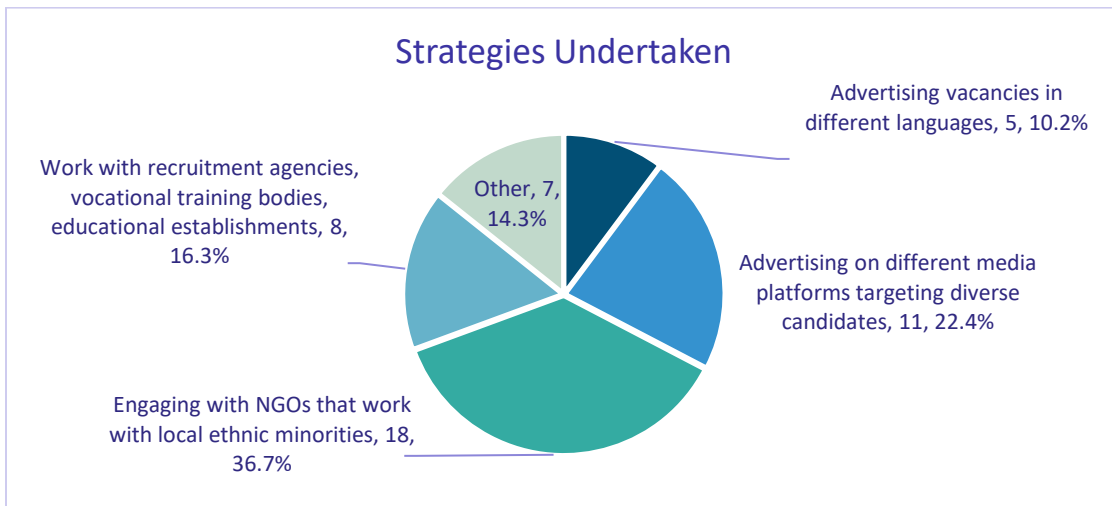
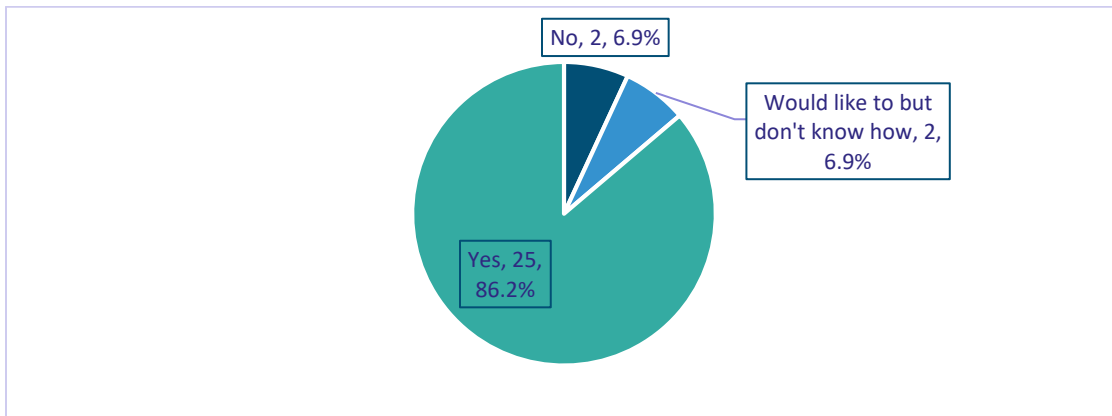
Best Practices (Q5):

- ✓ “Ensure diverse candidate slate is presented to hiring managers.” – Manulife
- ✓ “Guides to writing inclusive job descriptions are available to all staff. We use the 'blind search' function when searching profiles (on relevant online platforms), so name and gender will not be displayed.” – Societe Generale - Hong Kong Branch
- ✓ “Selection criterion, specially related to the need for certain languages, is set only if it is directly related to the actual need of the role.” – Community Business
- ✓ “Promoting job and internship opportunities on platforms that specifically target EM individuals.” – HELP Limited

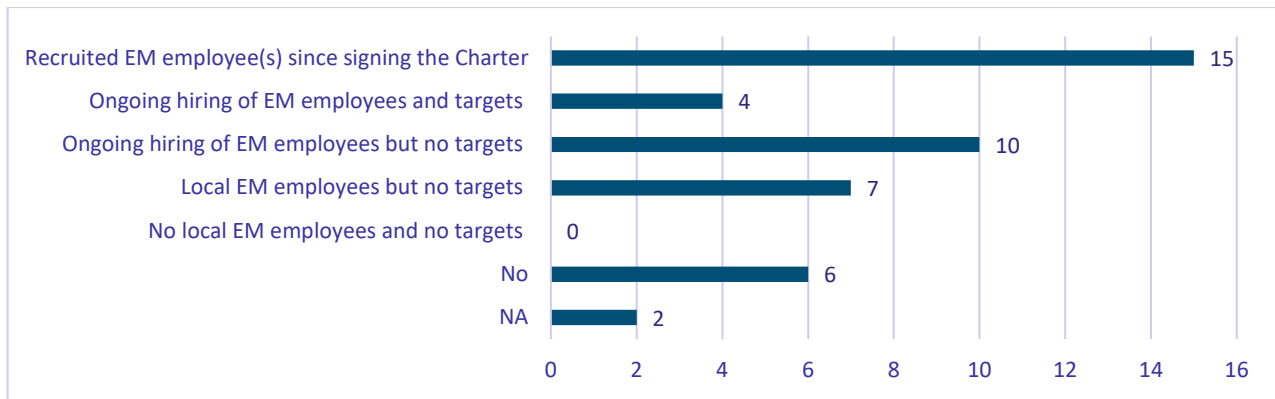
Q6. Does your organisation have targets to achieve racial diversity? (Multiple responses)



Q7. Does your organisation make efforts to improve its recruitment of local ethnic minorities? (Multiple responses)



Q8. Does your organisation have targets for hiring local ethnic minorities (excluding student interns)?
(Multiple responses)



Observations for II.2 (Q6, Q7 & Q8):

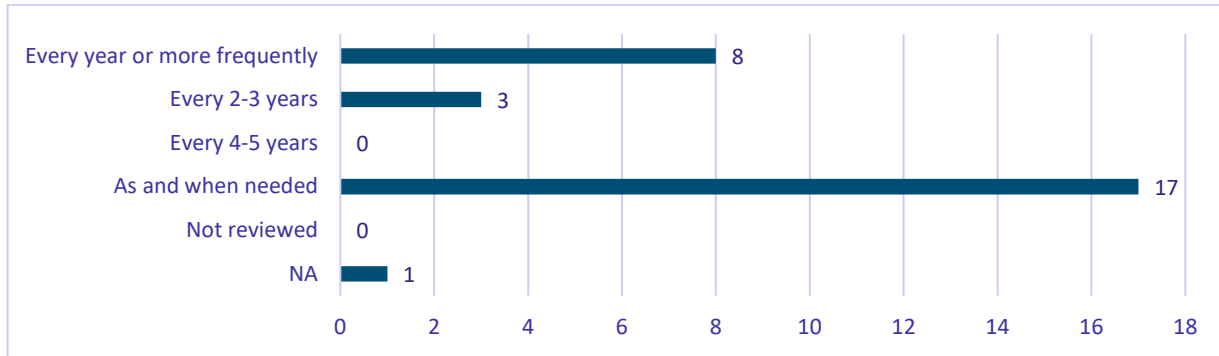
- Nearly a third (10) of the reporting organisations do not have any racial diversity targets while another three chose “Not Applicable”
- Eleven have overall (or global) targets for the organisation, and/or specific targets for the US or the UK but not for Asia or Hong Kong
- Three organisations have targets by level and five, including an NGO, have targets by function and department
- A mix of strategies are undertaken to recruit ethnic minority candidates with NGO partnership being the most used
- Many reporting organisations say they do not collect race/ethnicity information. Instead of targets, emphasis is on making hiring processes bias free and inclusive
- Only four organisations reported having targets for hiring ethnic minorities, an international law firm, an NGO and two local F&B chains

Best practices:

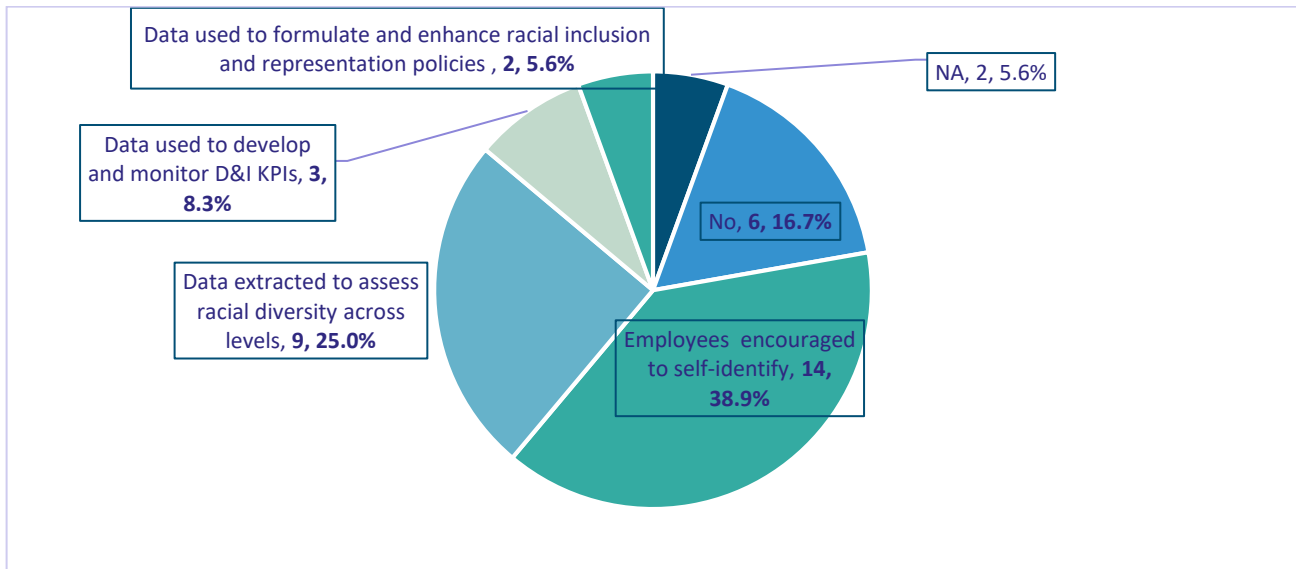
- ✓ “Yes we currently have in place ethnicity targets for the Hong Kong office both in respect of partners and senior business services leaders; We regularly monitor and report progress against these targets to the firm's senior leadership.” - *Herbert Smith Freehills*
- ✓ “Across the EY organization globally, including in HK, leaders are measured with targets on the experience of culturally diverse EY people. The data is captured through self-ID and the people engagement survey. The data point is included as part of the Regional Managing Partner's 10 strategic KPIs.” - *EY*
- ✓ “Distributing job ads through HK Post Circular Service at EM-concentrated districts to encourage EMs to join our team.” – *Fairwood Holdings Limited*

II.3. Policy Review & Monitoring

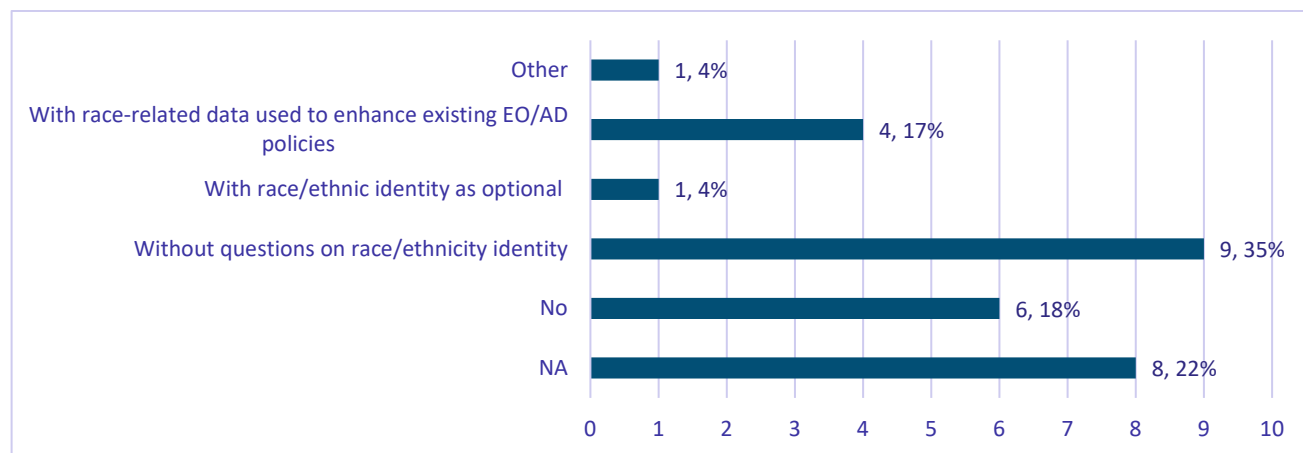
Q9. How often are your employment processes and policies reviewed in light of external and internal developments in the area of racial equality and inclusion? (Multiple responses)



Q10. Does your organisation monitor for racial diversity in the workplace? (Multiple responses)



Q11. Do your employee engagement/satisfaction surveys capture data on D&I? (Pick one)



Observations for II.3 (Q9, Q10 & Q11):

- Almost 60% (17) of reporting organisations conduct reviews of their employment policies and practices only as and when needed, around 30% (8) have them every year or more frequently
- A majority (21) of reporting organisations have in place some form of ethnicity data extraction/collection with 14 of them encouraging voluntary self-identification
- Only five organisations reported using that data for monitoring KPIs and to formulate/enhance policies on racial inclusion and representation
- Though 14 capture D&I data in their employee engagement surveys, only five organisations included questions related to race/ethnicity in them

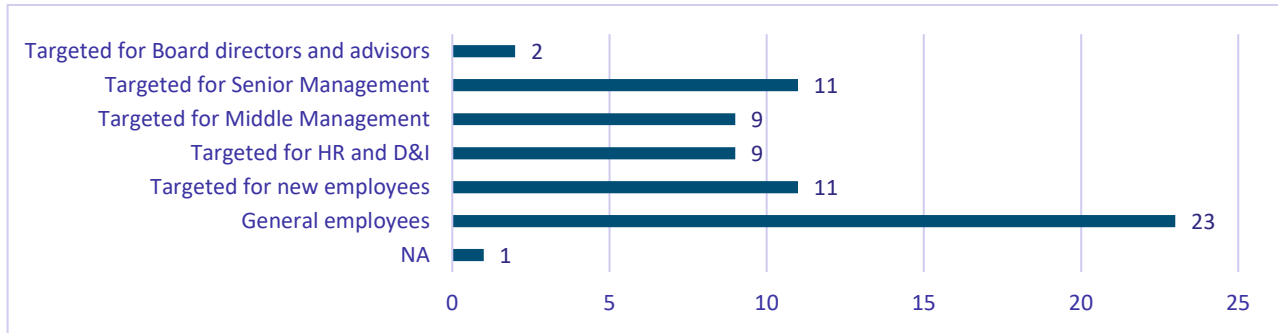
Best practices:

- ✓ “We use diversity data to propose actions to support ethnic minority employees through additional D&I initiatives (e.g. ERGs)” – *John Swire & Sons (H.K.) Limited*
- ✓ “Line or business functions and Employee Resource Groups review results of surveys to identify concern areas and develop action plans to address them.” - *HSBC*
- ✓ “The annual survey evaluates whether Societe Generale has created a conducive environment that encourages inclusion for all.” – *Societe Generale - Hong Kong Branch*

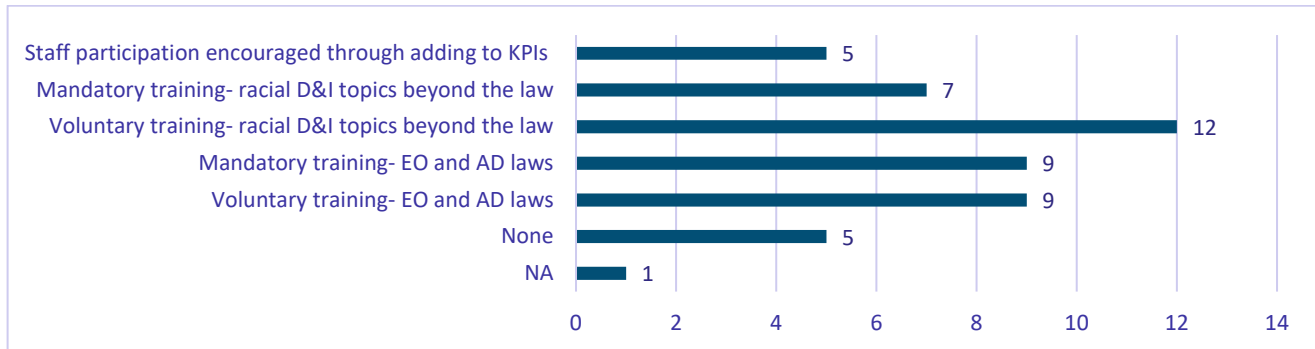
III. Inclusive Culture

III.1. Employee Training & Activities

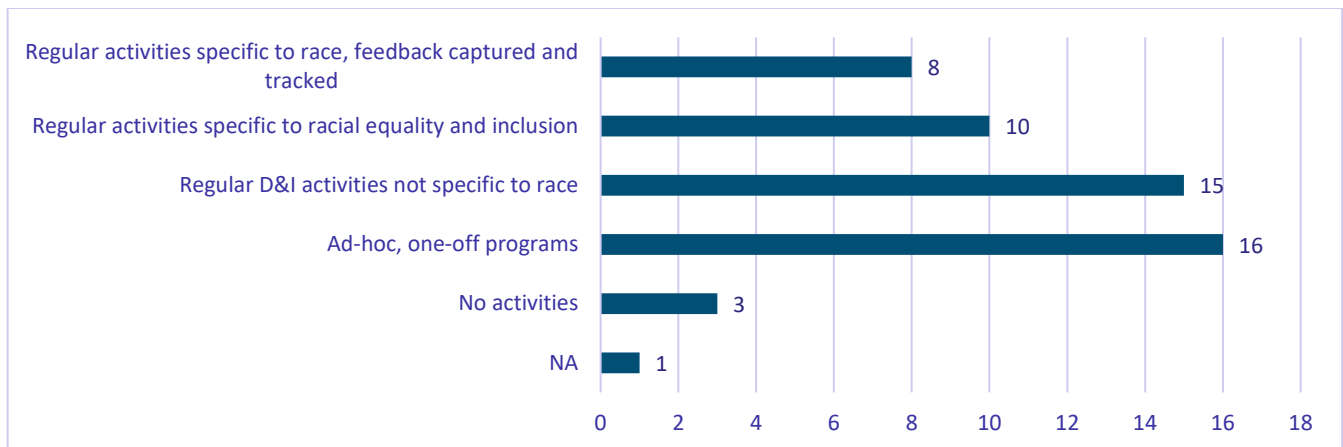
Q12. To which employee groups in Hong Kong do you offer training to raise awareness on racial equality and inclusion? (Multiple responses)



Q13. What training do you provide to raise awareness of employees on local EO and AD laws? (Multiple responses)



Q14. What kind of activities and events do you organise for staff to raise awareness of racial equality and inclusion? (Multiple responses)



Observations for III.1 (Q12, Q13 & Q14):

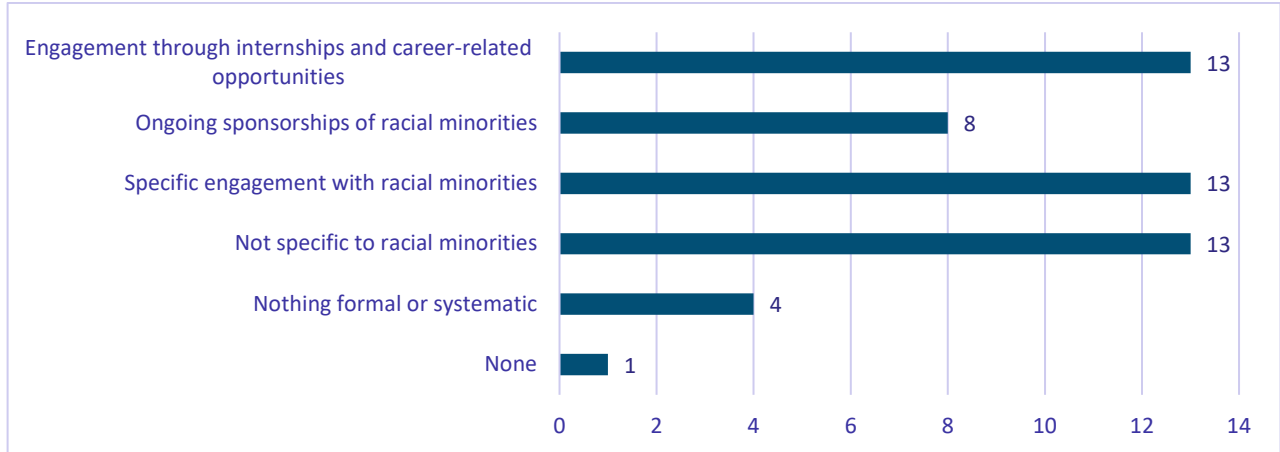
- While most training on racial equality and inclusion is general and for all employees, there is a fairly even spread of targeted training for other employee levels and functions
- Only two organisations reported doing training targeted at Board Directors and Advisors
- Almost 80% (23) of reporting organisations conduct training on EO and AD laws with 15 of them undertaking training on topics beyond the law, both voluntary and mandatory
- Only five organisations have training participation added to the KPIs of the department head or individual employee
- Reporting organisations have a mix of events, with regular non-race related D&I activities and one-off programmes the most common
- Ten have regular activities/events specific to race and eight track feedback from attendees

Best practices:

- ✓ “As part of our **10 Actions for Change** we are currently discussing how best to approach this (raising awareness on racial equality and inclusion) going forward, including sessions on anti-racism focused on team level discussions, as well as engaging our clients and community partners.” – *Herbert Smith Freehills*
- ✓ “The inclusive leadership training for leaders includes specific examples of racial and other minority group experiences; Unconscious bias and related messages were embedded into year-end counselling briefing to raise counsellors' awareness to mitigate the impact of unconscious bias in the year-end review.” – *EY*
- ✓ “Reverse and Reciprocal mentoring on D&I matters; Hiring manager training for unconscious biases when recruiting.” – *HSBC*
- ✓ “Cross-Cultural Competency Training Module released globally for internal staff.” – *Manulife*
- ✓ “Senior leaders send out communications and make mention of festivals and events during townhalls.” – *HSBC*

III.2. Community Engagement

Q15. Do you actively encourage engagement of your employees with the community, particularly underprivileged and under-represented members of racial minorities? (Multiple responses)



Observations:

- Over 60% (18) of reporting organisations engage with racial minorities through their D&I initiatives
- Around 40% (13) of the organisations have initiatives that are career-related and may lead to employment of racial minorities
- Common good practices are:

- Internships, work experience opportunities
- Partnerships with NGOs
- Tutoring, mentoring of ethnic minority students
- Sponsorship of ethnic minority related events
- Scholarships for ethnic minority students

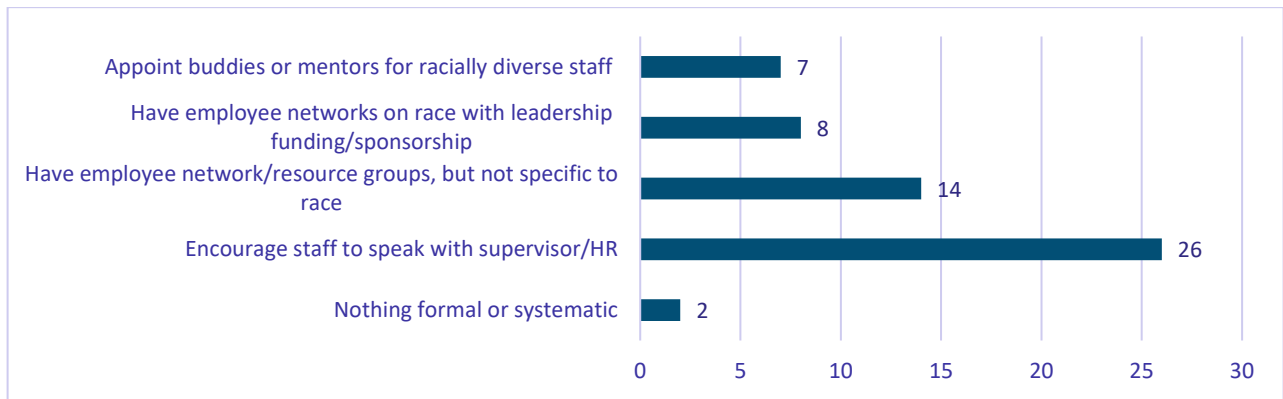
Best Practices (Q15):

- ✓ “Built The Zubin Foundation’s Special Education Needs Centre for EMs.” – *Arup*
- ✓ ““World as One” provides young people in Hong Kong from diverse backgrounds thought provoking travel experiences that are aimed at broadening their understanding of societal needs. Comprising youngsters who had never travelled before, ethnic minorities and also those who have successfully battled drug addiction, the group travelled to Cambodia where they undertook volunteer work.” – *Cathay Pacific Airways Limited*
- ✓ "Diversity Champion Internship Program provides unique career insight opportunities in three different industries to students from minority ethnic backgrounds, as well as students with a disability, LGBT+, or from lower socio-economic backgrounds" - *Manulife, Hyatt and Herbert Smith Freehills*
- ✓ “We organise regular lunches for the community to come together to build support networks themselves” – *Justice Centre Hong Kong*
- ✓ “Despite our organisation being too small for ERGs, with the ethnic mix in our teams we provide opportunities for our staff to share and talk about their culture as well as their personal stories in our monthly all-hands sessions.” – *Community Business*

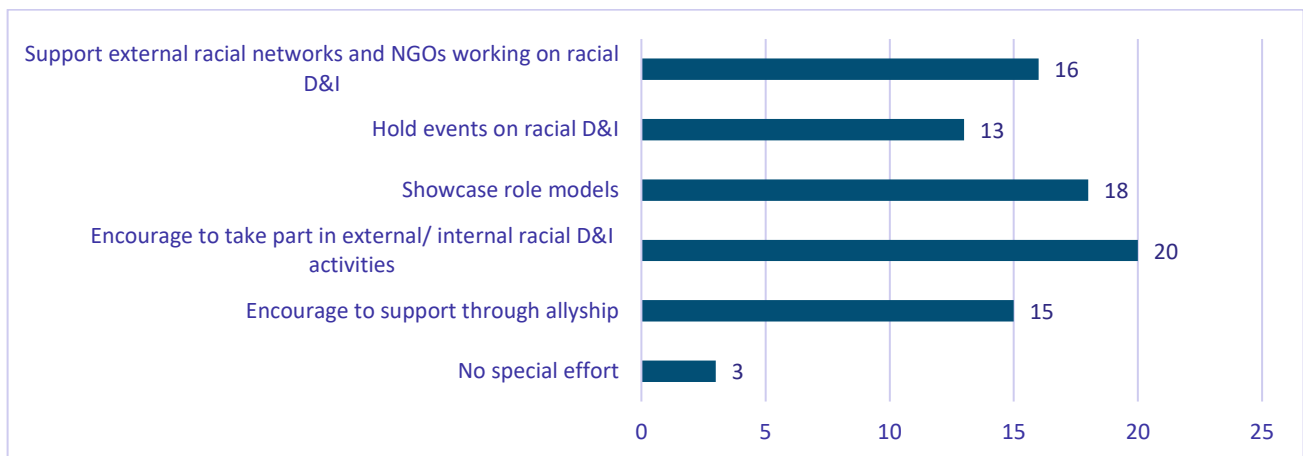
IV. Inclusive Work Environment

IV.1. Racial Inclusion

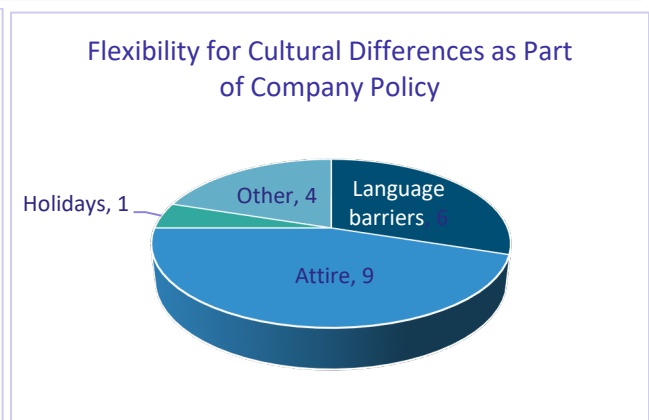
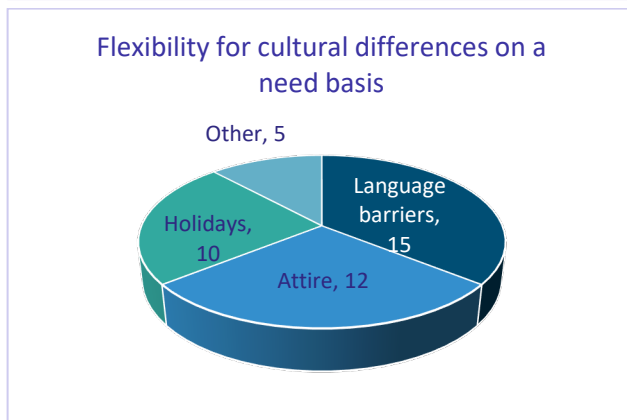
Q16. How does your organisation help its racial minority employees feel they are in a safe, inclusive and collaborative work environment? (Multiple responses)



Q17. How does your organisation encourage all its employees to support racial D&I? (Multiple responses)



Q18. How does your organisation foster the inclusion of employees from different cultural and racial backgrounds? (Multiple responses)



Observations for IV.1 (Q16, Q17 & Q18):

- Just 27% (8) of the reporting organisations have race networks/resource groups
- Only seven have measures such as appointing buddies or mentors with three organisations among them having this initiative in addition to race networks
- Most organisations have a mix of initiatives to encourage their employees to support racial D&I, with the most popular being employee participation in internal and external activities on the subject
- Close to 80% (23) of the reporting organisations have flexibility for cultural differences as part of organisational policy and/or provide them on a need basis
- Language barriers and attire are the areas where flexibility is most exercised
- Nearly 60% (14) of the organisations report having regular conversations on racial D&I
- Just about half, 14 of the 29 reporting organisations reported senior leadership communication and participation on this subject, a crucial success factor in D&I efforts

- *Common good practices are:*

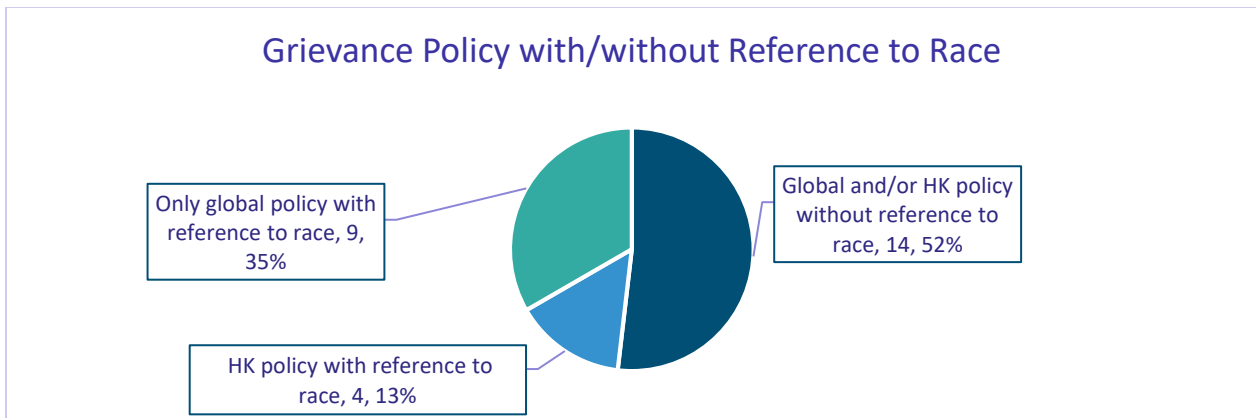
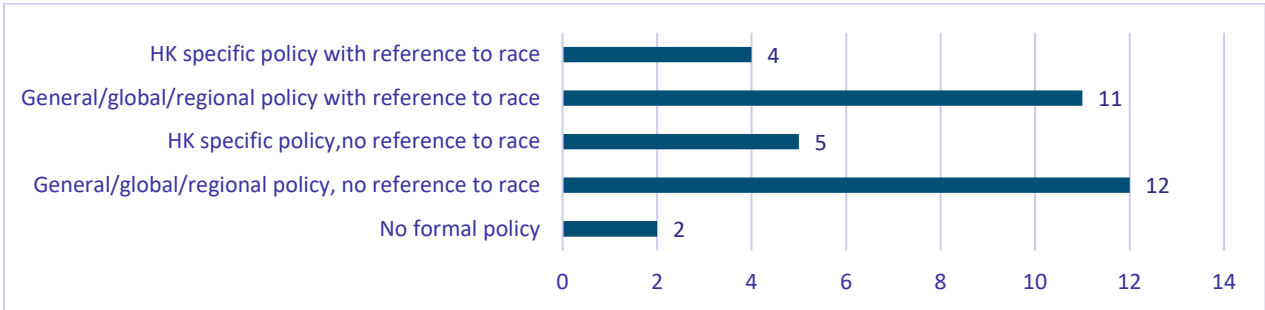
- Prayer rooms
- Language classes
- Bilingual communication
- Flexible working during religious holidays
- Multiple food choices in canteen to cater to various dietary restrictions
- Senior leadership presence, endorsement of D&I activities and initiatives

Best practices:

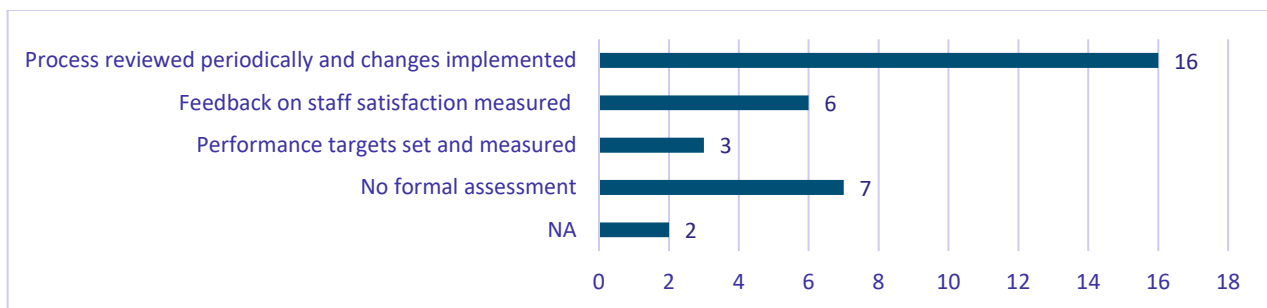
- ✓ “(We) set up an (online) communication group for (staff of) different ethnicities. Information regarding latest company news will be translated by EM staff so that newcomers feel included.” – *Fairwood Holdings Limited*
- ✓ “We seek feedback through snapshot surveys and develop actions based on them.” - *HSBC*
- ✓ “(We have) annual D&I survey that collects additional qualitative feedback from diverse employees.” – *John Swire & Sons (H.K.) Limited*
- ✓ “We have always been a multi-cultural organisation. We set the tone from the Board and Senior Management.” – *Justice Centre Hong Kong*
- ✓ "Celebration Day" is part of the leave policy to recognise diverse race, ethnicity and culture – *Community Business*

IV.2. Racial Inclusion

Q19. Do you have in place a formal grievance policy for racial discrimination, harassment, bullying and unfair treatment? (Multiple responses)



Q20. Does your organisation assess the effectiveness of grievance procedures in dealing with complaints swiftly and effectively? (Multiple responses)



Observations for IV.2 (Q19 & Q20):

- *Almost all the reporting organisations (27 out of 29) have a formal grievance policy, either a global policy, Hong Kong policy or both, but 14 do not have one with specific reference to race*
- *All four organisations that have local policies and include race as an element are Hong Kong based/headquartered*
- *Of the 27 organisations having formal grievance procedures, 16 review the procedures periodically and bring in amendments based on data and feedback*
- *Only three reporting organisations set and measure performance targets for their grievance procedures while six collect and report staff satisfaction with the process*

Participating Organisations

Participating Organisations		
Arup	AXA Hong Kong & Macau	BCT Group
Bloomberg	Cathay Pacific Airways Limited	Community Business
Doo Technology Limited	EY	Fairwood Holdings Limited
HELP Limited	Herbert Smith Freehills	Holiday Inn Golden Mile Hong Kong
Hong Kong Exchanges and Clearing Limited	HR Plus Limited	HSBC
Jardine Aviation Services Group	Jardine Matheson Limited	John Swire & Sons (H.K.) Limited
Justice Centre Hong Kong	KONE Elevator (HK) Limited	Linklaters
Manulife	Mayer Brown	Million Rank (HK) Limited
Pfizer Corporation Hong Kong Limited	Shun Tak Holdings Limited	Societe Generale - Hong Kong Branch
Tonkichi (HK) Limited	WSP (Asia) Limited	